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PAGE 01 VIENNA 02328 01 OF 02 151630Z

46

ACTION IO-14

INFO OCT-01 EUR-25 ISO-00 OIC-04 OMB-01 TAR-02 SPC-03

SWF-02 AGR-20 AID-20 CIAE-00 COME-00 EB-11 INR-10

LAB-06 NSAE-00 RSC-01 SIL-01 STR-08 TRSE-00 CIEP-02

CEA-02 L-03 XMB-07 HUD-02 HEW-08 INT-08 PRS-01 PA-04

USIA-15 DRC-01 AF-10 ARA-16 EA-11 NEA-10 /229 W

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LIMITED OFFICIAL USE SECTION 1 OF 2 VIENNA 2328

EO 11652: NA

TAGS: EAID, OCON, UNIDO

SUBJECT: UNIDO - THIRD SESSION OF AD HOC COMMITTEE ON LONG-
RANGE STRATEGY, VIENNA, MARCH 4-11, 1974

REF: (A) VIENNA 6396; (B) VIENNA 10508

SUMMARY: ANOTHER CHAPTER IN CONTINUING EVOLUTION OF UNIDO
"LONG-RANGE STRATEGY" CONCLUDED SATISFACTORILY ON MARCH 11
WHEN AD HOC COMMITTEE ON LONG-RANGE STRATEGY ADOPTED FINAL
REPORT FOR INDUSTRIAL DEVELOPMENT BOARD AND ADJOURNED. US
OBJECTIVES ESSENTIALLY ACHIEVED, ALTHOUGH IMPORTANT AREAS OF
DISAGREEMENT WERE REMANDED FOR CONSIDERATION BY HIGHER BODIES.
END SUMMARY.

1. AD HOC COMMITTEE ON UNIDO LONG-RANGE STRATEGY (AHC) MET
IN VIENNA IN THIRD AND FINAL SESSION MARCH 4-11; SESSION ORIGIN-
ALLY END MARCH 9. COMMITTEE OFFICERS WERE AS ELECTED AHC-I,
EXCEPT DUE ABSENCE BULGARIAN AMB POPOV, EVLOGVY BONEV (COUNSELOR
IN COUNCIL OF MINISTERS, SECRETARY OF BULGARIAN NATIONAL
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PAGE 02 VIENNA 02328 01 OF 02 151630Z

COMMITTEED FOR UNIDO, AND BULGARIAN REP TO AHC-III) ELECTED

AS VICE CHAIRMAN.

2. AT OPENING MEETING OF AHC-III, PLENARY AGREED FIRST RESUME EXAMINATION HIGH-LEVEL EXPERTS (HLE) RECOMMENDATION V, UNIDO' "CENTRAL CO-ORDINATING ROLE," WITH RAPPORTEUR TO DRAFT EMERGING CONCLUSIONS AS BASIS FURTHER NEGOTIATION IN CONTACT GROUP. AHC THEN WENT ON TO FIRST DISCUSSION OF REC VI, "ORGANIZATIONAL AND FINANCIAL REQUISITES," RAPPORTEUR AGAIN TO IDENTIFY TENTATIVE CONCLUSIONS FOR CONTACT GROUP NEGOTIATION. AHC HEARD BRIEF INTRODUCTIONS OF PROPOSED AMENDMENTS TO REC I-IV ON WHICH EMBERGIN (PROVISIONAL) CONCLUSIONS HAD BEEN NEGOTIATED AT AHC-II (REF B); THESE WERE SUBMITTED IN WRITING BY GROUP OF 77 AND GROUP B(GRIOU K'S FEW AMENDMENTS WERE PRESENTED ORALLY AS RELEVANT PARAS WERE REACHED). WEDNESDAY P.M. AND THURSDAY A.M. AHC HEARD FOR MOST PART BRIEF BUT IMPORTANT INTERVENTIONS ON AHC AGENDA ITEM 7 -- PARA 3(B) OF IDB RES 38(VII), AHC'S TERMS OF REFERENCE, "SUGGESTIONS TO THE IDB FOR FURTHER FORMULATION OF A LONG-RANGE STRATEGY FOR UNIDO" AND THEN CONSTITUTED SELF AS OPEN-ENDED CONTACT GROUP IN WHICH MOST AHC DELS PARTICIPATED WITH SELECTED DELS SPEAKING FOR MOST PART ON BEHALF RESPECTIVE GROUPS. MEETING MARCH 8 INTO EVENING, UNTIL MIDNIGHT MARCH 9, PAST MIDNIGHT FOLLOWING EVENING, AND MORNING AND ALL AFTERNOON MARCH 11, CONTACT GROUP NEGOTIATED AMENDMENTS TO PORTION OF REPORT (AHC CONF RM PAPER 25) COVERING RECS I-8; AS CARRIED OVER FROM AHC-II, AND LANGUAGE CONCERNING RECS V-VI, GENERAL CONCLUSIONS AND 3(B) OF TERMS OF REFERENCE ON BASIS OF DRAFTS PROPOSED BY RAPPORTEUR. REPORT ITSELF FINALLY ADOPTED IN PLENARY EVENING OF MARCH 11.

3. SUBSTANTIVELY, AMENDMENTS TO RECOMMENDATIONS I-IV WHILE MAINTAINING FRAMEWORK NEGOTIATED AT AHC-88 SHARPENED DEFINITION (AT US INITIATIVE AGAINST GROUP OF 77 RESISTENCE) OF ROLE OF UNIDIO STUDIES AND RESEARCH IN RELATION TO UNDP COUNTRY PROGRAMMING AND DD-II REVIEW AND APPRAISAL, DROPPED (AT GROUP OF 77 INSISTANCE) CERTAIN EXPLICIT, ALBEIT REDUNDANT, CAVEATS ON INFORMATION CLEARING-HOUSE ACTIVITY, AND CARRIED FURTHER OVER GROUP OF 77 RESISTANCE INDICATION OF THE IMPORTANCE OF SECTORAL PRIORITIES IN OPERATIONAL ACTIVITY; PROMOTIONAL ACTIVITIES WERE SUBSTANTIVELY UNCHANGED.

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PAGE 03 VIENNA 02328 01 OF 02 151630Z

A. UNDER REC I, US PUT FORWARD WITH FULL GROUP B AND GENTLE GROUP D SUPPORT SERIES OF AMENDMENTS AIMED AT APPRECIABLY STRENGTHENING PRACTICAL RELATIONSHIP OF EXPANDED STUDIES AND RESEARCH PROGRAM TO DEFINITION AND CHOICES UNDER UNDP COUNTRY PROGRAMMING. THESE PROPOSALS ENCOUNTERED VIGOROUS GROUP OF 77 RESISTANCE, APPARENTLY IN MAIN BECAUSE LDC'S WISHED MINIMIZE DEGREE OF UNIDO AND/OR UNDP INFLUENCE ON NATIONAL DECISIONS RE DESIGN OF COUNTRY PROGRAMS AND ALSO TO MINIMIZE

SECTORAL CONCENTRATION OF UNIDO ABILITIES DERIVING FROM FINDINGS OF STUDIES AND RESEARCH. (THIS ISSUE LOOMED SO STRONGLY THAT WE ADDRESS IT FULLY IN SEPTTEL.) DESPITE FOREGOING, WE ACHIEVED SPECIFIC REFERENCE TO UNIDO ADVICE TO UNDP IN REC I CHAPEAU AND ADDITION AMONG OBJECTIVES OF STUDIES AND RESEARCH OF REFERENCE TO UNIDO CONTRIBUTION TO "FORMULATION AND REVISIONS OF UNDP COUNTRY PROGRAMS" AND TO "DESIGN AND SELECTION OF PROJECTS WITHIN SUCH PROGRAMMES..." AS NOTED ABOVE, SPECIFIC USE OF STUDIES AND RESEARCH FOR DD-II R AND A ALSO INSERTED. SOCIALIST EFFORT AMEND AHC-II SUB-PARA 82(D) TO PROVIDE (EXCLUSIVELY) FOR STRENGTHENING OF STATE SECTOR WAS COMPROMISED SATISFACTORILY, I.E., "THE EFFICIENT PLANNING AND DEVELOPMENT OF INDUSTRIAL ENTERPRISES, INCLUDING STATE ENTERPRISES, AND THE STRENGTHENING OF NATIONAL PLANNING BODIES." PROPOSAL CONTAINED PARA 84 OF AHC-II REPORT TO CREATE "ADVISORY PANEL" TO OVERSEE UNIDO STUDIES AND RESEARCH (UK PROPOSAL SUPPORTED BY GROUP B) RAN INTO LDC RESISTANCE WHICH WE BELIEVE WAS INSTIGATED BY SECRETARIAT; WHILE COMPROMISE LANGUAGE WAS ADOPTED BY AHC-III, WE EXPECT THIS BE FOUGHT FURTHER AT IDB-VIII.

B. REC II, "CLEARING-HOUSE OF INDUSTRIAL INFORMATION" WAS MODIFIED BY GROUP B TO INSURE QUALITATIVE CRITERIA IN ACCEPTING FREE INFO, AND AHC-II PARAS 91 AND 92 WERE DELETED WITH CONSEQUENTIAL REFERENCE TO CRITERIA CONTAINED PARA 93 INSERTED IN CHAPEAU OF PARA 90.

C. GROUP B (US) EFFORTS PRODUCED SIGNIFICANTLY GREATER EMPHASIS ON DEFINITION OF PRIORITIES IN OPERATIONAL ACTIVITY INCLUDING BETTER RELATIONSHIP OF SUPPORTING ("NON-OPERATIONAL") TO OPERATIONAL PRIORITIES. PRINCIPAL FIELD OF BATTLE PROVED TO BE AHC-II'S PARA 97, WHEREIN FINALLY GROUP OF 77 FOR FIRST TIME AGREED ENUMERATE ILLUSTRATIVELY CERTAIN INDUSTRIAL SECTORS LIMITED OFFICIAL USE

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PAGE 04 VIENNA 02328 01 OF 02 151630Z

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PAGE 01 VIENNA 02328 02 OF 02 151715Z

46
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LIMITED OFFICIAL USE SECTION 2 OF 2 VIENNA 2328

D. AHC-II'S TREATMENT OF REC IV, "PROMOTIONAL ACTIVITIES," EMPHASIZING NEED FOR EVOLUTION BETTER PROGRAMS, PROCEDURES, AND PERFORMANCE SUBSTANTIALLY UNALTERED, BUT RECOGNITION WAS ACCORDED TO POSSIBILITY "BETTER SCREENING AND PREPARATION" OF INVESTMENT PROMOTION PROJECTS " MAY ENTAIL GREATER RESOURCES..."

4. REC V, "CENTRAL CO-ORDINATING ROLE," PROVED MORE TIME-CONSUMING THAN ANTICIPATED AS LDC'S SOUGHT DEFINE GREATER ROLE FOR UNIDO, ESPECIALLY VIS-A-VIS UNDP, AND COMMITTEE WAS SUBJECTED TO UNHELPFUL, TENDENTIOUS AND DEFENSIVE INTERVENTION BY ABDEL-RAHMAN. HOWEVER, RHETORIC -- ESPECIALLY THAT OF EXECUTIVE DIRECTOR, ALGERIA, AND NIGERIA -- FAR EXCEEDED SUBSTANCE OF ACTUAL AMENDMENT OF TEXT THAT HAD BEEN TENTATIVELY OUTLINED BY RAPPORTEUR AT AHC-II, AND END PRODUCT ACTUALLY PROVIDED FOR LESS COMPREHENSIVE PROGRAM THAN ENVISAGED BY HLE SUBPARA 34(A). EFFORT BY GROUP OF 77 DELS TO REFER TO "OBLIGATIONS" OF UNDP TO ASSIST UNIDO FINALLY DEFEATED AT MARCH 11 CONCLUDING MEETING OF CONTACT GROUP.

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PAGE 02 VIENNA 02328 02 OF 02 151715Z

5. DISCUSSION OF REC VI, "ORGANIZATIONAL AND FINANCIAL REQUISITES," PROVIDED PLATFORM FOR GROUP OF 77 TO SEEK GREATER RESOURCES FOR UNIDO AND TO OUTLINE SERIES OF INSTITUTIONAL CHANGES DESIRED BY LDC'S. GROUP B SOUGHT UNDERSCORE NEED FOR BETTER UTILIZATION OF EXISTING RESOURCES AND ARGUED TIME AVAILABLE TO AHC INSUFFICIENT TO EXAMINE COMPLEX QUESTIONS RELATED TO INSTITUTIONAL ARRANGEMENTS. (ALL OF FOREGOING ISSUES REEMERGED IN DISCUSSION OF FINAL SECTION OF AHC REPORT "GENERAL CONCLUSIONS;"SEE BELOW.) THANKS IN LARGE PART TO RAPPORTEUR'S CONSUMATE SKILL IN DEVISING BALANCED TEXT BASED ON THIS DISCUSSION, AND TO MUTUAL RECOGNITION THESE ISSUES COULD NOT BE RESOLVED IN AHC, FINAL TREATMENT OF THESE QUESTIONS SERVED ONLY TO OUTLINE THEM TOPICALLY

AND TO MANIFEST AGREEMENT TO DISAGREE. THANKS TO UNDERLYING GROUP OF 77 DISSATISFACTION WITH UNIDO SECRETARIAT'S PERFORMANCE, RESULTING IN PART FROM GROWING SOPHISTICATION PRODUCED IN COURSE OF AHC'S WORK, WE WERE ABLE INTRODUCE INTO REPORT EXPLICIT REFERENCE TO "NEED FOR FURTHER STRENGTHENING THE ORGANIZATIONAL MECHANISMS FOR PROGRAMME PLANNING, CO-ORDINATION AND EVALUATION;" REPORT ALSO REFERS TO NEED FOR "MORE RATIONAL AND BETTER UTILIZATION OF EXISTING HUMAN AND FINANCIAL RESOURCES, INCLUDING A POSSIBLE SHIFT OF EMPHASIS AND REASSIGNMENTS.."

6. AS PLENARY DISCUSSION OF RECS V AND VI WAS CONCLUDED AND AHC WAS PREPARING GO INTO CONTACT GROUP TO DISCUSS ALL SIX RECOMMENDATIONS, INDIAN DEL ON BEHALF OF GROUP OF 77 ASKED FOR PLENARY DISCUSSION OF AGENDA ITEM 7 (SEE PARA 2 ABOVE). GROUP OF 77 LED BY INDIA AND BRAZIL (WHO HAD MODIFIED ITS POSITION OF REQUISITES OF LONG-RANGE STRATEGY CONSIDERABLY) USED ENSUING DISCUSSION TO ITEMIZE SERIES OF IMPORTANT INSTITUTIONAL CHANGES IN THEIR VIEW REQUIRED MAKE UNAIDED MAKE UNIDO MORE EFFECTIVE BASIS THEME UNDERLYING THESE CHANGES WAS HLE AND AHC PROPOSALS WERE ONLY PART OF CONTINUING PROCESS OF EVOLVING MEANINGFUL LONG-RANGE STRATEGY FOR UNIDO. GROUP B, WITH US AND UK ACTING AS SPOKESMEN, INDICATED OUR PRELIMINARY VIEWPOINTS ON MOST OF THESE PROPOSALS INCLUDED IN OUR INTERVENTIONS ON REC VI AND THAT THESE QUESTIONS "OF LIMITED OFFICIAL USE
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PAGE 03 VIENNA 02328 02 OF 02 151715Z

CENTRAL IMPOTANCE" WOULD HAVE BE EXAMINED DURING PREPARATIONS FOR AND DURING UNIDO-II. (GIVING IMPORTANCE THIS SUBJECT, SEPTTEL PROVIDES FULLER ACCOUNT OF DEBATE THEREON.)

7. AT CHAIRMAN'S SUGGESTION, AHC FINAL REPORT ALSO INCLUDES SECTION ON "GENERAL CONCLUSIONS," AS ELABORATION OF "GENERAL FINDINGS" CONTAINED IN PARAS 88-100 OF REPORT OF AHC-I (CRP 15), DRAFTED LARGELY BY THE RAPPORTEUR. SECTION RECOGNIZES AHC NOT IN POSITION "SUBMIT CONCRETE CONCLUSIONS AS TO THE FINANCIAL IMPLICATIONS INVOLVED" IN IMPLEMENTATION OF HLE RECOMMENDATIONS AND THAT SPECIFIC COSTING IN THE CONTEXT OF AMENDING EXISTING 1974-1975 BIENNIAL PROGRAM BUDGET OR ADOPTING 1976-77 PROGRAM BUDGET NECESSARY IN ORDER CONSIDER RESOURCE REQUIREMENTS FURTHER. THIS SECTION AS ADOPTED ALSO ENUMERATES (AS DID HLE REPORT) TYPES OF FINANCING TO BE FURTHER EXPLORED. FINALLY, AFTER UNSUCCESSFUL, INTENSIVE EFFORTS REACH MUTUALLY AGREEABLE LANGUAGE ON RANK-ORDERING OF PRIORITIES OF THE SIX RECOMMENDATIONS, AHC AGREED ON FOLLOWING QUALIFIED RANK ORDER: FIRST PRIORITY RECS I AND III, SECOND PRIORITY RECS II AND V, LAST PRIOTITY REC IV, EXCEPT GROUP OF 77 AND GROUP D

WISH ALSO GIVE REC VI FIRST PRIORITY.

8. DURING ADOPTION OF REPORT WHICH WAS "UNANIMOUS" BUT
EXPLICITLY DESCRIBED AS REFLECTING COMPROMISES BY
PARTICIPATING DELS, GROUP OF 77 (AHC LDC DELS INSISTING
THEY SPEAKING IN BEHALF OF ALL RPT ALL GROUP OF 77
GOVERNMENTS) ANNEXED STATEMENT RE FURTHER FORMU
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